



House of Representatives

File No. 703

General Assembly

February Session, 2016

(Reprint of File No. 59)

House Bill No. 5182
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
April 22, 2016

AN ACT EXEMPTING LEASED MUNICIPAL PROPERTY FROM TAXATION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (4) of section 12-81 of the 2016 supplement to
2 the general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective October 1, 2016, and applicable to assessment years*
4 *commencing on and after October 1, 2016*):

5 (4) (A) Except as otherwise provided by law, personal property
6 belonging to, or held in trust for, or leased to, a municipal corporation
7 of this state and used for a public purpose, including [real and]
8 personal property used for cemetery purposes, and (B) real property
9 belonging to, or held in trust for, or leased to, a municipal corporation
10 of this state and used for a public purpose, including real property
11 used for cemetery purposes, provided any such leased personal
12 property, including, but not limited to, motor vehicles subject to the
13 provisions of section 12-71 and any such leased real property is located
14 within the boundaries of such municipal corporation;

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2016, and applicable to assessment years commencing on and after October 1, 2016</i>	12-81(4)

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill exempts from taxation: 1) personal property that is leased to a municipality and, 2) real property and motor vehicles leased to a municipality, and located within such municipality.

Generally, companies factor the cost of property taxes paid into the rent they charge to municipalities for leasing equipment or land. A municipality would experience no net fiscal impact as a result of this bill if it is currently paying rent to a company that includes the exact amount of property taxes it collected from the company.

House "A" strikes the underlying bill and results in the above identified fiscal impact.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**HB 5182 (as amended by House "A")******AN ACT EXEMPTING LEASED MUNICIPAL PROPERTY FROM TAXATION.*****SUMMARY:**

This bill expands the local property tax exemption for municipal property to include real and personal property leased to a municipality that is used for a public purpose and located within the municipality, including taxable motor vehicles.

Under current law, the exemption applies to real and personal property owned by or held in trust for a municipality that is used for public purposes.

*House Amendment "A" specifies that the leased property (1) must be located within the municipality and (2) includes motor vehicles.

EFFECTIVE DATE: October 1, 2016 and applicable to assessment years beginning on and after that date.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable

Yea 20 Nay 0 (03/04/2016)